

AMENDED IN SENATE AUGUST 18, 2003

AMENDED IN SENATE JULY 3, 2003

AMENDED IN SENATE JUNE 25, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1475

Introduced by Assembly Member Steinberg

February 21, 2003

An act to amend Sections 50675.14, 53315, and 53533 of the Health and Safety Code, and to amend Sections 5808 and 5814 of the Welfare and Institutions Code, relating to housing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1475, as amended, Steinberg. Housing: homeless.

The existing California Statewide Supportive Housing Initiative Act, which would be repealed on January 1, 2004, requires the State Department of Mental Health to award grants to local government or private nonprofit agencies for services to a target population.

This bill would extend the repeal date of the act to January 1, 2009.

The existing Housing and Emergency Shelter Trust Fund Act of 2002 requires \$195,000,000 to be transferred to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program administered by the Department of Housing and Community Development to be used for supportive housing projects for individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness. The act provides that the criteria for selecting projects should give priority to supportive housing for people with disabilities who would otherwise be at high risk of

homelessness where the applications represent collaboration with programs that meet the needs of the person's disabilities. Existing law also contains provisions administered by the State Department of Mental Health known as the Adult and Older Adult Mental Health System of Care Act that establish criteria for available funding for counties with a high incidence of persons who are severely mentally ill and homeless or at risk of homelessness.

This bill would require that the Department of Housing and Community Development's selection criteria for those funds ~~under~~ *from the Multifamily Housing Program for supportive housing projects* give priority to *supportive housing* projects that ~~include a supportive services component that meets specified criteria, which may include participating in an evaluation under the criteria set forth in the Adult and Older Adult Mental Health System of Care Act. The bill would also revise the criteria set forth in that act.~~ *The house persons with disabilities who would otherwise be at high risk of homelessness where the application for funding demonstrates collaboration with programs that meet the needs of the residents' disabilities, and also to supporting housing projects that include a focus on measurable outcomes and a plan for evaluation that will be submitted annually to the department. The bill would also establish provisions with respect to loan limits, borrowers' development and ownership experience, reporting requirements of borrowers, and reporting requirements of the department to the Legislature.*

The bill would also make a conforming change in the Housing and Emergency Shelter Trust Fund Act of 2002.

This bill would require counties; *that have applied for and receive grants pursuant to the Adult and Older Adult Mental Health System of Care Act; after January 1, 2004,* to enter into contracts with sponsors of supportive housing projects to the greatest extent possible. ~~By increasing the scope of mandatory responsibilities of counties, this bill would result in a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.~~

~~This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: ~~yes~~ *no*.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
2 following:
- 3 (a) When people who are seriously mentally ill are homeless
4 and do not have access to stable, affordable housing and the
5 services they need, they frequently enter the criminal justice
6 system or use costly emergency services, including emergency
7 rooms, hospitals, mental health treatment facilities, shelters, and
8 other services for crises that could have been avoided.
- 9 (b) Permanent supportive housing, which combines well
10 managed affordable housing with supportive services that are
11 designed to engage and stabilize persons who have been homeless
12 and those with serious mental illness or other disabilities, has
13 demonstrated effectiveness in improving housing outcomes and
14 reducing utilization of costly emergency and inpatient services for
15 the people who are able to access this housing.
- 16 (c) As counties have established programs of integrated
17 services to serve persons who are seriously mentally ill and
18 homeless or at risk of homelessness, they have frequently
19 identified a shortage of housing options to meet the needs of this
20 target population.
- 21 (d) Additional supportive housing is needed to end or prevent
22 homelessness for many Californians who are seriously mentally
23 ill, and the housing programs created or expanded by Proposition
24 46 provide critically needed resources to respond to this need.
- 25 (e) In order for Proposition 46 bond funds to be used effectively
26 to create housing for individuals who are seriously mentally ill and
27 homeless or at risk of homelessness, funding must be available to
28 provide the supportive services needed by this target population
29 who will be residing in this housing.
- 30 (f) Investments in permanent supportive housing will produce
31 savings to the state, while reducing costs and burdens faced by

1 local governments, health care facilities, businesses, and the
2 public, by producing visible and measurable differences on the
3 street, and in hospitals, jails, and state correctional facilities.

4 SEC. 2. *Section 50675.14 of the Health and Safety Code is*
5 *amended to read:*

6 50675.14. ~~If the Housing and Emergency Shelter Trust Fund~~
7 ~~Act of 2002 is approved by the voters, with respect to funds~~
8 ~~appropriated to the Multifamily Housing Program pursuant to~~
9 ~~paragraph (3) of subdivision (a) of Section 53533, the (a) This~~
10 *section shall apply only to supportive housing projects funded*
11 *pursuant to paragraph (3) of subdivision (a) of Section 53533.*

12 (b) *For purposes of this section, “supportive housing” means*
13 *housing with no limit on length of stay, that is occupied by the*
14 *target population as defined in subdivision (d) of Section 53260,*
15 *and that is linked to onsite or offsite services that assist the*
16 *supportive housing resident in retaining the housing, improving*
17 *his or her health status, and maximizing his or her ability to live*
18 *and, when possible, work in the community.*

19 (c) *The criteria, established by the department, for selecting*
20 *supportive housing projects shall give priority to the following:*

21 (1) *Supportive housing projects that house persons with*
22 *disabilities who would otherwise be at high risk of homelessness,*
23 *where the application for funding demonstrates collaboration with*
24 *programs that meet the needs of the supportive housing residents’*
25 *disabilities.*

26 (2) *Supportive housing projects that include a focus on*
27 *measurable outcomes and a plan for evaluation, which evaluation*
28 *shall be submitted by the borrowers, annually, to the department.*

29 (d) *The department may provide higher per-unit loan limits as*
30 *reasonably necessary to provide and maintain rents that are*
31 *affordable to the target population as defined in subdivision (d) of*
32 *Section 53260.*

33 (e) *In an evaluation or ranking of a borrower’s development*
34 *and ownership experience, the department shall consider*
35 *experience acquired in the prior 10 years.*

36 (f) (1) *A borrower shall, beginning the second year after*
37 *supportive housing project occupancy, include the following data*
38 *in his or her annual report to the department. However, a borrower*
39 *who submits an annual evaluation pursuant to subdivision (c) may,*
40 *instead, include this information in the evaluation:*

1 (A) *The length of occupancy by each supportive housing*
2 *resident for the period covered by the report.*

3 (B) *Changes in each supportive housing resident's employment*
4 *status during the previous year.*

5 (C) *Changes in each supportive housing resident's source and*
6 *amount of income during the previous year.*

7 (2) *The department shall include aggregate data with respect*
8 *to the supportive housing projects described in this section in the*
9 *report that it submits to the Legislature pursuant to Section*
10 *50675.12.*

11 (g) *The department shall consider, commencing in the second*
12 *year of the funding, the feasibility and appropriateness of*
13 *modifying its regulations to increase the use of funds by small*
14 *projects. In doing this, the department shall consider its*
15 *operational needs and prior history of funding supportive housing*
16 *facilities.*

17 SEC. 3. Section 53315 of the Health and Safety Code is
18 amended to read:

19 53315. This chapter shall remain in effect only until January
20 1, 2009, and as of that date is repealed, unless a later enacted
21 statute, that is enacted before January 1, 2009, deletes or extends
22 that date.

23 ~~SEC. 3.—~~

24 SEC. 4. Section 53533 of the Health and Safety Code is
25 amended to read:

26 53533. (a) Money deposited in the fund from the sale of
27 bonds pursuant to this part shall be allocated for expenditure in
28 accordance with the following schedule:

29 (1) Nine hundred ten million dollars (\$910,000,000) shall be
30 transferred to the Housing Rehabilitation Loan Fund to be
31 expended for the Multifamily Housing Program authorized by
32 Chapter 6.7 (commencing with Section 50675) of Part 2, except
33 for the following:

34 (A) Fifty million dollars (\$50,000,000) shall be transferred to
35 the Preservation Opportunity Fund and, notwithstanding Section
36 13340 of the Government Code, is continuously appropriated
37 without regard to fiscal years for the preservation of at-risk
38 housing pursuant to enabling legislation.

39 (B) Twenty million dollars (\$20,000,000) shall be used for
40 nonresidential space for supportive services, including, but not

1 limited to, job training, health services, and child care within, or
2 immediately proximate to, projects to be funded under the
3 Multifamily Housing Program. This funding shall be in addition
4 to any applicable per-unit or project loan limits and may be in the
5 form of a grant. Service providers shall ensure that services are
6 available to project residents on a priority basis over the general
7 public.

8 (C) Twenty-five million dollars (\$25,000,000) shall be used for
9 matching grants to local housing trust funds pursuant to enabling
10 legislation.

11 (D) Fifteen million dollars (\$15,000,000) shall be used for
12 student housing through the Multifamily Housing Program,
13 subject to the following provisions:

14 (i) The department shall give first priority for projects on land
15 owned by a University of California or California State University
16 campus. Second priority shall be given to projects located within
17 one mile of a University of California or California State
18 University campus that is suffering from a severe shortage of
19 housing and limited availability of developable land as determined
20 by the department. Those determinations shall be set forth in the
21 Notice of Funding Availability and shall not be subject to the
22 requirements of Chapter 3.5 (commencing with Section 11340) of
23 Part 1 of Title 2 of the Government Code.

24 (ii) All funds shall be matched on a one-to-one basis from
25 private sources or by the University of California or California
26 State University. For the purposes of this subparagraph,
27 “University of California” includes the Hastings College of the
28 Law.

29 (iii) Occupancy for the units shall be restricted to students
30 enrolled on a full-time basis in the University of California or
31 California State University.

32 (iv) Income eligibility pursuant to the Multifamily Housing
33 Program shall be established by verification of the combined
34 income of the student and his or her family.

35 (v) Any funds not used for this purpose within 24 months of the
36 date that the funds are made available shall be awarded pursuant
37 to subdivision (a) for the Downtown Rebound Program as set forth
38 in paragraph (1) of subdivision (c) of Section 50898.2.

39 (E) Any funds not encumbered for the purposes set forth in this
40 paragraph, except subparagraph (D), within 30 months of

availability shall revert to the Housing Rehabilitation Loan Fund created by Section 50661 for general use in the Multifamily Housing Program.

(F) If the enabling legislation for any program specified in this paragraph fails to be enacted into law in the 2001–02 Regular Session of the Legislature, the specified allocation for that program shall be void and the funds shall revert for general use in the Multifamily Housing Program.

(2) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be expended for the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800 of Part 2).

(3) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for *supportive housing projects under* the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to be used for ~~supportive housing projects~~ for ~~serve~~ individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness. ~~The criteria for selecting projects should give priority to supportive housing for people with disabilities who would otherwise be at high risk of homelessness where the applications represent collaboration with programs that meet the needs of the person's disabilities. The department's selection criteria shall give priority to projects that include a supportive services component that meets all of the following criteria:~~

(A) ~~The project will provide a comprehensive array of services that meet the needs of the target population.~~

(B) ~~The applicant can identify a funding stream.~~

(C) ~~There is evidence that the planned services can be implemented successfully.~~

(D) ~~The provider of supportive services will include a focus on measurable outcomes and has a plan for evaluation.~~

The department may provide for higher per-unit loan limits as reasonably necessary to provide and maintain rents affordable to those individuals and households. For purposes of this paragraph, “supportive housing” means housing with no limit on length of stay, that is occupied by the target population, as defined in subdivision (d) of Section 53260, and that is linked to onsite or

~~1 offsite services that assist the tenant to retain the housing, improve
2 his or her health status, and maximize his or her ability to live, and,
3 when possible, work in the community.~~

(4) Two hundred million dollars (\$200,000,000) shall be transferred to the Joe Serna, Jr. Farmworker Housing Grant Fund to be expended for farmworker housing programs authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2, except for the following:

(A) Twenty-five million dollars (\$25,000,000) shall be used for projects that serve migratory agricultural workers as defined in subdivision (i) of Section 7602 of Title 25 of the California Code of Regulations.

(B) Twenty million dollars (\$20,000,000) shall be used for developments that also provide health services to the residents. Recipients of these funds shall be required to provide ongoing monitoring of funded developments to ensure compliance with the requirements of the Joe Serna, Jr. Farmworker Housing Grant Program. Projects receiving funds through this allocation shall be ineligible for funding through the Joe Serna, Jr. Farmworker Housing Grant Program.

(C) Any funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the Joe Serna, Jr. Farmworker Housing Grant Program.

(5) Two hundred five million dollars (\$205,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 13340 of the Government Code and Section 50697.1, these funds are hereby continuously appropriated without regard to fiscal years to the department to be expended for the purposes of the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, except for the following:

(A) Seventy-five million dollars (\$75,000,000) shall be transferred to the Building Equity and Growth in Neighborhoods Fund to be used for the Building Equity and Growth in Neighborhoods (BEGIN) Program pursuant to Chapter 14.5 (commencing with Section 50860) of Part 1.

(B) Five million dollars (\$5,000,000) shall be used to provide grants to cities, counties, cities and counties, and nonprofit organizations to provide grants for lower income tenants with disabilities for the purpose of making exterior modifications to rental housing in order to make that housing accessible to persons

with disabilities. For the purposes of this subparagraph, “exterior modifications” includes modifications that are made to entryways or to common areas of the structure or property. The program provided for under this subparagraph shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(C) Ten million dollars (\$10,000,000) shall be expended for construction management under the California Self-Help Housing Program pursuant to subdivision (b) of Section 50696.

(D) Any funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the CalHome Program.

(6) Five million dollars (\$5,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for capital expenditures in support of local code enforcement and compliance programs. This allocation shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code. If the moneys allocated pursuant to this paragraph are not expended within three years after being transferred, the department may, in its discretion, transfer the moneys to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program.

(7) Two hundred ninety million dollars (\$290,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 50697.1, these funds are hereby continuously appropriated to the agency to be expended for the purposes of the California Homebuyer’s Downpayment Assistance Program authorized by Chapter 11 (commencing with Section 51500) of Part 3, except for the following:

(A) Fifty million dollars (\$50,000,000) shall be transferred to the School Facilities Fee Assistance Fund as provided by subdivision (a) of Section 51453 to be used for the Homebuyer Down Payment Assistance Program of 2002 established by Section 51451.5.

(B) Eighty-five million dollars (\$85,000,000) shall be transferred to the California Housing Loan Insurance Fund to be used for purposes of Part 4 (commencing with Section 51600).

(C) Twelve million five hundred thousand dollars (\$12,500,000) shall be reserved for downpayment assistance to low-income first-time homebuyers who, as documented to the

1 agency by a nonprofit organization certified and funded to provide
2 homeownership counseling by a federally funded national
3 nonprofit corporation, is purchasing a residence in a community
4 revitalization area targeted by the nonprofit organization and who
5 has received homeownership counseling from the nonprofit
6 organization.

7 (D) Twenty-five million dollars (\$25,000,000) shall be used
8 for downpayment assistance pursuant to Section 51505. After 18
9 months of availability, if the agency determines that the funds set
10 aside pursuant to this section will not be utilized for purposes of
11 Section 51505, these funds shall be available for the general use
12 of the agency for the purposes of the California Homebuyer's
13 Downpayment Assistance Program, but may also continue to be
14 available for the purposes of Section 51505.

15 (E) Funds not utilized for the purposes set forth in
16 subparagraphs (B) and (C) within 30 months shall revert for
17 general use in the California Homebuyer's Downpayment
18 Assistance Program.

19 (8) One hundred million dollars (\$100,000,000) shall be
20 transferred to the Jobs Housing Improvement Account to be
21 expended as capital grants to local governments for increasing
22 housing pursuant to enabling legislation. If the enabling
23 legislation fails to become law in the 2001–02 Regular Session of
24 the Legislature, the specified allocation for this program shall be
25 void and the funds shall revert for general use in the Multifamily
26 Housing Program as specified in paragraph (1) of subdivision (a).

27 (b) No portion of the money allocated pursuant to this section
28 may be expended for project operating costs, except that this
29 section does not preclude expenditures for operating costs from
30 reserves required to be maintained by or on behalf of the project
31 sponsor.

32 (c) The Legislature may, from time to time, amend the
33 provisions of law related to programs to which funds are, or have
34 been, allocated pursuant to this section for the purpose of
35 improving the efficiency and effectiveness of the program, or for
36 the purpose of furthering the goals of the program.

37 (d) The Bureau of State Audits shall conduct periodic audits to
38 ensure that bond proceeds are awarded in a timely fashion and in
39 a manner consistent with the requirements of this part, and that

1 awardees of bond proceeds are using funds in compliance with
2 applicable provisions of this part.

3 ~~SEC. 4.—~~

4 *SEC. 5.* Section 5808 of the Welfare and Institutions Code is
5 amended to read:

6 5808. (a) In order to reduce the state and county cost of a
7 mental health system of care, participating counties shall collect
8 reimbursement for services from clients which shall be the same
9 as patient fees established pursuant to Section 5710, fees paid by
10 private or public third-party payers, federal financial participation
11 for medicaid or Medicare services, and other financial sources
12 when available.

13 (b) In order to reduce the cost of providing supportive housing
14 for clients, counties *that have applied for and receive a grant*
15 *pursuant to this part after January 1, 2004*, shall enter into
16 contracts with sponsors of new supportive housing projects to the
17 greatest extent possible. ~~Counties~~ *Participating counties* are
18 encouraged to commit a portion of their grants to rental assistance
19 for a specified number of housing units in exchange for the
20 counties' clients having the right of first refusal to rent the assisted
21 units.

22 ~~SEC. 5.—~~

23 *SEC. 6.* Section 5814 of the Welfare and Institutions Code is
24 amended to read:

25 5814. (a) (1) This part shall be implemented only to the
26 extent that funds are appropriated for purposes of this part. To the
27 extent that funds are made available, the first priority shall go to
28 maintain funding for the existing programs that meet adult system
29 of care contract goals. The next priority for funding shall be given
30 to counties with a high incidence of persons who are severely
31 mentally ill and homeless or at risk of homelessness, and meet the
32 criteria developed pursuant to paragraphs (3) and (4).

33 (2) The director shall establish a methodology for awarding
34 grants under this part consistent with the legislative intent
35 expressed in Section 5802, and in consultation with the advisory
36 committee established in this subdivision.

37 (3) (A) The director shall establish an advisory committee for
38 the purpose of providing advice regarding the development of
39 criteria for the award of grants, and the identification of specific
40 performance measures for evaluating the effectiveness of grants.

1 The committee shall review evaluation reports and make findings
2 on evidence-based best practices and recommendations for grant
3 conditions. At not less than one meeting annually, the advisory
4 committee shall provide to the director written comments on the
5 performance of each of the county programs. Upon request by the
6 department, each participating county that is the subject of a
7 comment shall provide a written response to the comment. The
8 department shall comment on each of these responses at a
9 subsequent meeting.

10 (B) The committee shall include, but not be limited to,
11 representatives from state, county, and community veterans'
12 services and disabled veterans outreach programs, supportive
13 housing and other housing assistance programs, law enforcement,
14 county mental health and private providers of local mental health
15 services and mental health outreach services, the Board of
16 Corrections, the State Department of Alcohol and Drug Programs,
17 local substance abuse services providers, the Department of
18 Rehabilitation, providers of local employment services, the State
19 Department of Social Services, the Department of Housing and
20 Community Development, a service provider to transition youth,
21 the United Advocates for Children of California, the California
22 Mental Health Advocates for Children and Youth, the Mental
23 Health Association of California, the California Alliance for the
24 Mentally Ill, the California Network of Mental Health Clients, the
25 Mental Health Planning Council, and other appropriate entities.

26 (4) The criteria for the award of grants shall include, but not be
27 limited to, all of the following:

28 (A) A description of a comprehensive strategic plan for
29 providing outreach, prevention, intervention, and evaluation in a
30 cost appropriate manner corresponding to the criteria specified in
31 subdivision (c).

32 (B) A description of the local population to be served, ability
33 to administer an effective service program, and the degree to which
34 local agencies and advocates will support and collaborate with
35 program efforts.

36 (C) A description of efforts to maximize the use of other state,
37 federal, and local funds or services that can support and enhance
38 the effectiveness of these programs.

39 (b) In each year in which additional funding is provided by the
40 ~~State Budget~~ *annual Budget Act* the department shall establish

1 programs that offer individual counties sufficient funds to
 2 comprehensively serve severely mentally ill adults who are
 3 homeless, recently released from a county jail or the state prison,
 4 or others who are untreated, unstable, and at significant risk of
 5 incarceration or homelessness unless treatment is provided to them
 6 and who are severely mentally ill adults. For purposes of this
 7 subdivision, “severely mentally ill adults” are those individuals
 8 described in subdivision (b) of Section 5600.3. In consultation
 9 with the advisory committee established pursuant to paragraph (3)
 10 of subdivision (a), the department shall report to the Legislature
 11 on or before May 1 of each year in which additional funding is
 12 provided, and shall evaluate, at a minimum, the effectiveness of
 13 the strategies in providing successful outreach and reducing
 14 homelessness, involvement with local law enforcement, and other
 15 measures identified by the department. The evaluation shall
 16 include for each program funded in the current fiscal year as much
 17 of the following as available information permits:

18 (1) The number of persons served, and of those, the number
 19 who are able to maintain housing, including the number who
 20 obtain and retain permanent supportive housing, and the number
 21 who receive extensive community mental health services.

22 (2) The number of persons with contacts with local law
 23 enforcement and the extent to which local and state incarceration
 24 has been reduced or avoided.

25 (3) The number of persons participating in employment service
 26 programs including competitive employment.

27 (4) The number of persons contacted in outreach efforts who
 28 appear to be severely mentally ill, as described in Section 5600.3,
 29 who have refused treatment after completion of all applicable
 30 outreach measures.

31 (5) The amount of hospitalization that has been reduced or
 32 avoided.

33 (6) The extent to which veterans identified through these
 34 programs’ outreach are receiving federally funded veterans’
 35 services for which they are eligible.

36 (7) The extent to which programs funded for three or more
 37 years are making a measurable and significant difference on the
 38 street, in hospitals, and in jails, as compared to other counties or
 39 as compared to those counties in previous years.

1 (8) For those who have been enrolled in this program for at least
2 two years and who were enrolled in Medi-Cal prior to, and at the
3 time they were enrolled in, this program, a comparison of their
4 Medi-Cal hospitalizations and other Medi-Cal costs for the two
5 years prior to enrollment and the two years after enrollment in this
6 program.

7 (9) The number of persons served who were and were not
8 receiving Medi-Cal benefits in the 12-month period prior to
9 enrollment and, to the extent possible, the number of emergency
10 room visits and other medical costs for those not enrolled in
11 Medi-Cal in the prior 12-month period.

12 (10) The number of permanent supportive housing units that
13 are created or sustained, including the number of units for which
14 the grantee committed a portion of its grant to rental assistance. If
15 the grantee used a portion of its funding under this part for the
16 acquisition, rehabilitation, or construction of supportive housing,
17 or for rental assistance in supportive housing units, the evaluation
18 shall include the amount of money spent on housing compared to
19 previous years.

20 (c) To the extent that state savings associated with providing
21 integrated services for the mentally ill are quantified, it is the intent
22 of the Legislature to capture those savings in order to provide
23 integrated services to additional adults.

24 (d) Each project shall include outreach and service grants in
25 accordance with a contract between the state and approved
26 counties that reflects the number of anticipated contacts with
27 people who are homeless or at risk of homelessness, and the
28 number of those who are severely mentally ill and who are likely
29 to be successfully referred for treatment and will remain in
30 treatment as necessary.

31 (e) All counties that receive funding shall be subject to specific
32 terms and conditions of oversight and training which shall be
33 developed by the department, in consultation with the advisory
34 committee.

35 (f) (1) As used in this part, “receiving extensive mental health
36 services” means having a personal services coordinator, as
37 described in subdivision (b) of Section 5806, and having an
38 individual personal service plan, as described in subdivision (c) of
39 Section 5806.

(2) The funding provided pursuant to this part shall be sufficient to provide mental health services, medically necessary medications to treat severe mental illnesses, alcohol and drug services, transportation, supportive housing and other housing assistance, vocational rehabilitation and supported employment services, money management assistance for accessing other health care and obtaining federal income and housing support, accessing veterans' services, stipends, and other incentives to attract and retain sufficient numbers of qualified professionals as necessary to provide the necessary levels of these services. These grants shall, however, pay for only that portion of the costs of those services not otherwise provided by federal funds or other state funds.

(3) Methods used by counties to contract for services pursuant to paragraph (2) shall promote prompt and flexible use of funds, consistent with the scope of services for which the county has contracted with each provider.

(g) Contracts awarded pursuant to this part shall be exempt from the Public Contract Code and the state administrative manual and shall not be subject to the approval of the Department of General Services.

(h) Notwithstanding any other provision of law, funds awarded to counties pursuant to this part and Part 4 (commencing with Section 5850) shall not require a local match in funds.

~~SEC. 6. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars (\$1,000,000), reimbursement shall be made from the State Mandates Claims Fund.~~